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Executive Director,
NATURAL RESOURCES

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
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OIL, GAS, AND MINING BOARD

I. DANIEL STEWART
Chairman

CHARLES R. HENDERSON
JOHN L. BELL
THADIS W. BOX
C. RAY JUVELIN

May 25, 1978

Mr. Ed Gauthier
Chinook Construction
P.O. Box 422
Green River, UT

Re: ACT/015/016

Dear Mr. Gauthier:

On May 14, 1978 the 30 day comment period for the Smith's Fee Ground mine closed with no adverse public comment being received. At the May 23, 1978 executive Board meeting, the Board issued final approval for the operation and cleared our intent to release your surety. We can release the majority of the bond and retain enough to cover the revegetation maintenance. We intent to hold \$1,000 until which time the revegetation is judged successful under Rule M-10 (12). If the revegetation is successful, the \$1,000 will be released within three (3) years. If the revegetation is not successful within three (3) years and it appears that replanting is required, the bond will be released after the reseeding by you. If it appears that reseeding would not be any more successful than the first seeding the bond will be released with no further requirements of you.

Please get in touch with us as to how you wish to renegotiate your surety. This smaller surety amount could possibly take the form of another insured bond, or a cash deposit or escrow account with the Board as a co-owner. In any case, when arrangements for the new surety are finalized we will release your present \$10,000 bond.

The Division and Board appreciates your cooperation in this matter to date.

Sincerely,

Brian W. Buck / ST
BRIAN W. BUCK
ENGINEERING GEOLOGIST

Enclosure: MR-7 (a & b)